

279472



SAUSE BROS.

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April 29, 2004

USCG-2003-14472-10

MARAD-2003-15171-1

Via Fax (202) 493-2251

Docket Management Facility (USCG-2003-14472/MARAD-2003-15171)
U. S. DEPARTMENT OF TRANSPORTATION
Room PL-401, 400 Seventh Street, N.W.
Washington, D.C. 20590-0001

RE: Lease Financing NPRM

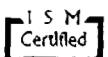
Sause Bros. would like to take this opportunity to make comments regarding the joint Coast Guard/MARAD proposal regarding the lease financing NPRM. Sause Bros. is a third generation family-owned tug and barge company on the U.S. West Coast.

We own and operate 60 tugs and barges transporting over a million tons annually of forest products and building materials from Oregon and Washington to Southern California and Hawaii. We also transport approximately 20 million barrels of petroleum products each year along the U.S. West Coast and to Alaska and Hawaii.

In 2002, based on our belief that the Jones Act and the historic cabotage laws under which we have operated for over 60 years would be preserved, we began a five-year, 100 million dollar vessel construction program. This investment in six new double-hull oil barges and six new tugs was made based on our continued reliance on the importance of the Jones Act and the preservation of the U.S.-ownership requirements.

We thank you for the work you have done to-date on closing the lease financing loophole and strongly encourage you with this NPRM to take the opportunity to complete a job well done.

We strongly support the comments made by AWO and the Maritime Cabotage Task Force. We urge you to adopt Alternative 2 prohibiting charter back arrangements except when the vessel is engaged in the carriage of proprietary cargo for the owner or a member of the owner's group.



SAUSE BROS. OCEAN TOWING CO., INC. • SAUSE BROS., INC. • SOUTHERN OREGON MARINE, INC.





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We encourage you to establish a three-year limit on the grandfather provision, which should provide ample time for a vessel owner to resolve any finance issues.

The final comment we would make is that it is critical, in our opinion, that the Coast Guard be given the resources necessary to properly administer and ensure compliance with the regulations.

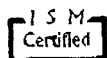
Thank you for your continued efforts to close the lease financing loophole. We in management and our 500 employees and their families appreciate all of the work the U.S. Coast Guard and MARAD have done on our behalf.

Sincerely,

SAUSE BROS.


Dale Sause
President

DS:jw



SAUSE BROS. OCEAN TOWING CO., INC. • SAUSE BROS., INC. • SOUTHERN OREGON MARINE, INC.



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